CBS -- FACE THE NATION

Moderator: Fred Graham. Subject: Terrorism.

Guests: Senator Patrick Leahy, Former Under Secretary of State Lawrence Eagleburger, and terrorism expert Robert Kupperman.

(The program opened with the President's arrival on the South Lawn with questions from reporters about the hijacking, followed by a special report from Dan Rather.)

Graham: (questioning CBS News correspondent Bill Plante) Is the return of President Reagan seen there as an optimistic sign or one of peril?

Plante: The fact that it has gone on this long without any further casualties, without any further seemingly irrational behavior, indicates to people here, I believe, that perhaps it is possible to talk.

Graham: Is there the kind of anger there that would result in retaliation?

Plante: Reporters who watched the President arrive...noted what seemed to be a veiled threat. It may have been unintentional, but he did say that it might be better for the hijackers if they gave up, if they stopped this whole thing. That seemed, to many of us, like a veiled threat of eventual military force. Is there anger? You bet there is. I've heard it expressed up and down by people in this Administration over the past two days. Will it translate into action? That's very, very hard to say at this point.

Graham: (to Sen. Leahy) Based on what you know, are you satisfied with the way the American government is handling this?

Leahy: I think the government, the Administration is doing everything that they can do in this case. I think they are doing all the right things....My concern is that we're not doing enough on the terrorism question overall. Our intelligence is not good enough. Our ability to respond is not good enough. Our ability to take preventive action so these things don't happen in the first place is not good enough....We're not doing something to stop it from happening in the first place.

Graham: Who are these people, and what triggered this?

Kupperman: Obviously, Shiites intent upon getting their comrades or brethren out of jail in various places, including especially Israel. They are very anti-American, and I think you have to view terrorism as a theatrical event. This is the world's stage. My God, every single network.

Graham: Are we part of the problem?

Kupperman: Of course we are -- and it's a necessary aspect of a democracy. It's a paradox.